GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:264
ANSWERED ON:23.07.2004
ANNUAL GROWTH RATE OF INDUSTRIES
Suman Shri Ramji Lal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

e:

(a) whether annual growth rate in certain industries has declined and in certain industries it has increased during the recent years;

(b) if so, the names of ten industries in which annual growth rate has been maximum after 2000-2001;

(c) the names of ten industries in which the annual growth rate has declined most;

(d) whether the Government have ascertained the reasons for low growth rate; and

(e) if so, the details thereof?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) : Yes, Sir.

(b) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (b) TO (e) OF LOK SABHA STARRED QUESTION NO. 264 FOR ANSWER ON 23RD JULY, 2004.

(b) & (c): Based on disaggregated available data, the names of industries which have recorded maximum and minimum growth rates during the years 2001-02 to 2003-04 are:

Ten Industries showing maximum annual growth rate after 2000-01:

(1) Wheel Mounted Dump Loaders, (2) Electric Generators (including Alternator), (3) Ampicillin, (4) Passenger Cars, (5) Corrugated Boxes/Cartons, (6) Refrigerators (Domestic), (7) Ship Building and Repair, (8) Control Panels/Boards/Disks, (9) Switchgear (Circuit Breakers) and (10) Bicycle Tyres.

Ten Industries showing most decline in annual growth rate after 2000-01:

(1) Well/off Shore Platforms, (2) Cutting Tools (Lathes etc.), (3) Dissolved Acetalene Gas, (4) Oxygen, (5) Cigarettes, (6) Ball & Roller Bearings, (7) Industrial Explosives, (8) Laboratory and Scientific Instruments, (9) Complete Tractors and (10) Tractor Tyres/Animal Driven Vehicle Tyres.

(d) & (e) : Performance of a few industries may not reflect the true performance of the whole of the industrial sector. A better assessment of industrial performance can be gauged by the trends in overall Index of Industrial Production (IIP) compiled by the Central Statistical Organisation (CSO). Overall growth in industry in terms of IIP has gathered pace in recent years with growth accelerating from 2.7% in 2001-02 to 5.7% in 2002- 03 and further to 7.0% in 2003-04. This momentum has been maintained in the current year as well with overall industrial growth showing an increase of 7.5% during April-May 2004-05 as compared with 5.3% during April-May 2003-04.

Government has put in place various policies to promote industrial growth. These include delicensing of industrial capacity, liberalisation of foreign trade regime and rationalisation of duty/tax rates in case of customs, excise & corporate taxation. Since the initiation of economic reforms, performance of individual industries is the outcome of a number of factors, which among others include demand and supply conditions, relative prices of inputs and outputs, import competition, exchange rate movements and the macroeconomic framework. Changes in these factors impact different industries differently. Besides, demand conditions in major importing countries also impact performance of industries in which exports constitute a significant proportion of production.